while according to the Budget estimates the current year was expected to close with a surplus of Rs. 3,30,600 the same according to the Revised estimates comes to Rs. 4,91,500.

BUDGET ESTIMATE OF 1115.

14. Next, taking up the Budget estimates of the next year, which I have the honour to present before the House to-day for their consideration, the Hon'ble Members would have noted that as compared to the Revised estimates of the current year the Budget estimates of the next year under receipts and expenditure show a slight decrease of Rs. 50,900 and Rs. 66,800 respectively.

RECEIPTS.

15. The decrease in receipts is mainly under Customs and Income-tax. The average of the Budget estimate and the Revised estimate of 1114 under Customs is taken approximately as the probable receipts of next year. So calculated it stands at Rs. 24·25 lakhs. Under Income-tax although the Revised estimate of the current year is expected to yield Rs. 7 lakhs, for next year it might be safer to place it at a little less viz., somewhere about Rs. 6·5 lakhs. Taking the case of other departments the Hon'ble Members would note that especially under Miscellaneous and Matches provisions in excess of the revised estimate have been made. Under Miscellaneous the increase is to the extent of One lakh of rupees. This is the amount appropriated from the Revenue Reserve Fund to be made available for expenditure on rural development. Under Matches an income of Rs. 2·06 lakhs is anticipated as against the previous Revised Estimate figure of Rs. 1·23 lakhs. This is on account of the receipts anticipated for two years 1938—39 and 1939—40 together. It became necessary to take over the income of 1938—39 to 1939—40 on account of certain changes in accounts in the distribution of the Matches Excise duty introduced by the Government of India. From 1116 onwards, however, there will be only the normal one year's receipt in each budget.

EXPENDITURE.
Education and Panchayats.

16. On the expenditure side also the Budget Estimates of next year show a slight fall as compared to the Revised Estimates of the current year. The difference is approximately Rs. 0·67 lakh. Though the total under ordinary expenditure for next year is slightly less than the same for the current year as per the Revised Estimate there is increase in expenditure especially under Education and Panchayats. Under Education there is an increase of Rs. 39,000 over the Revised Estimate of the current year. Under Panchayats there is an increase of expenditure to the extent of Rs. 68,000. Of this, Rs. 62,500 is allotted for special rural development works, Rs. 27,500 being devoted to concentration works, Rs. 30,000 to

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original works and Rs. 5,000 to rural libraries. Government have decided that village libraries may hereafter function under the Panchayat instead of under the Education Department.

D. P. W., Medical Etc.

17. Compared to the Revised Estimate there is a fall in the provisions in the Budget Estimate of next year under Public Works, State Conveyances, Miscellaneous and Medical. The reduction of expenditure under Public Works is not due to reduction in the usual programme of works, but largely due to the fact that certain items of important constructions that had been going on in the last two years have been finished. As a matter of fact special provisions have been made for the next year to provide for additional accommodation in hospitals and schools. Rs. 20,000 has been provided for additional accommodation in the Trichur Civil Hospital alone and Rs. 50,000 has been provided for the Reservoir work in the Chittur irrigation system. The decrease of Rs. 27,200 under State Conveyances is mainly due to the fact that large retrenchments have been effected in the Sirkar Stables. The reduction in expenditure under Miscellaneous as compared to the last year is due to the fact that last year there was the special expenditure on account of the visit of His Excellency the Viceroy. The reduction of expenditure under 'Medical' (Rs. 19,900) is more apparent than real. This would be quite clear when we remember that in the current year there were two special provisions of expenditure—one of Rs. 25,000 for anti-tuberculosis fund and the other of Rs. 16,000 for the purchase of radium. When these provisions are kept out the expenditure under Medical in 1114 will be really about Rs. 21,000 less than that for the next year.

Agriculture.

18. Under Agriculture the expenditure as per the Budget Estimate of next year and the Revised Estimate of the current year stands almost at the same figure of Rs. 1·59 lakhs. But really there has been considerable retrenchment in expenditure under this head on account of Gardens. An annual saving of over Rs. 9,000 is expected by this retrenchment. Half of it will be utilised for the development of Veterinary Department and the other half to build reservoirs and extend facilities for water supply in the gardens.

Rural Development.

19. The budget provision under Rural Development is only for the working of the particular rural development centre at Cherpu. But this does not exhaust the provisions for rural development works in the next year. The rural development centre is after all only one of the items of activities which are undertaken in furtherance of rural reconstruction. Side by side with the work in

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the rural development centre, work is also carried on by the development departments of Panchayat, Agriculture, Co-operative, Industries and Uplift, each of them contributing within its own sphere towards the improvement of the villages and the village life generally. Therefore the special contribution of One lakh of rupees intended for rural development works is distributed as shown below:—

		Rs.
1.	Panchayat	62,500
2.	Public Health	5,000
3.	Ayurveda	7,500
4.	Agriculture	5,000
5.	Co-operative	5,000
6.	Industries	10,000
7.	Uplift	2,500
8.	Rural development centre.. ..	2,500
		1,00,000

Besides these, an amount of Rs. 30,000 has also been provided under the budget head Advances to be utilised to grant advances to deserving Industries and other institutions. Also money will be found shortly to start a Central Co-operative Marketing Board in Trichur.

20. The above provisions are outside the usual allotments made under Panchayats, Agriculture, Ayurveda, Co-operative, Industries and Uplift.

21. I have now completed the survey of the more important of the estimates in the budget of the next year. I do not propose to touch the remaining ones since they have all been very clearly explained in the memorandum, copy of which was sent to the Hon'ble Members along with the Budget Estimates. Therefore, I now propose to pass on to a few other subjects which though they will not come for direct consideration and voting in the House, form really the background of our public finances and are therefore of genuine interest. Before I do that I would, however, say one word about the Budget Estimates of the Cranganur Principality which are also to be submitted to the vote of the House.

THE CRANGANUR PRINCIPALITY.

22. As in the previous years both the Revised Estimate of the current year and the Budget Estimate of the next year are expected to close with deficits to the extent of Rs. 33,210 and Rs. 30,050 respectively. The reasons for this recurring feature of deficits in

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